GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:3179
ANSWERED ON:11.08.2000
PARITY TO FILM INDUSTRY
VENKATA KRISHNAM RAJU UPPALAPATI

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the Government propose to give parity to film industry as given to Infotech Industry, since movies are downloaded through Internet for viewing, thereby losing some traditional revenue;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether tax concessions given to Infotech industry would be extended to film industry also;

(e) whether any recommendations made for waiving/reducing customs duty on colour positive films in jumbo rolls and colour negative films for film industry;

(f) if so, the details thereof; and
(g) if not, the reasons therefor?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF TH MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) & (b) In view of emerging convergence of Information Technology (I.T.), telecommunications and entertainment technologies and for optimizing growth of entertainment industry, this Ministry was of the view that the film sector may be granted benefits accorded by the Government to the Information Technology sector with a view to tapping its full potential as a foreign exchange earner and to generate employment opportunities. Accordingly, this Ministry has taken up several proposals pertaining to the film sector with the Ministry of Finance.

(c) Does not arise in view of above.

(d) to (f) In the budget proposals presented to the Parliament for the year 2000-2001, the following significant fiscal benefits have been granted to the film industry:

(i) The benefit of the Section 80HHF of the Income Tax Act, 1961 has beenextended to individuals/proprietors engaged in the export of entertainment software.

(ii) Basic customs duty on cinematograph cameras and other related equipment has been reduced from 40% to 25%.

(iii) Basic customs duty on color positive films in jumbo rolls and colour negative films in rolls of certain sizes has been reduced from 15% to 5%. Countervailing duty on these items has also been abolished.

(iv) The limit for submission of statements by film producers under Section 285 B ofthe Income Tax Act has been raised from Rs. 25,000 to Rs. 50,000 w.e.f 1.4.2001.

(g) Does not arise in view of above.